GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Transport Department – APSRTC – Government Guarantee to Andhra Pradesh State Road Transport Corporation (APSRTC) for availing term loan of Rs. 1000.00 Crore from the scheduled Commercial Banks for procurement of new buses in APSRTC to replace the buses that have completed their economical life – Orders – Issued.

TRANSPORT, ROADS & BUILDINGS (TR.II) DEPARTMENT

G.O.MS.No. 43 Dated: 18-10-2019

Read:

From the VC & MD, APSRTC, Lr.No.B&F/F2/409(1)/GG/2019-20-FD, dt.06.08.2019.

ORDER:

In the letter read above, the VC & MD, APSRTC, Vijayawada, has stated that APSRTC has been operating fleet of 11920 Buses at present. Of these, 3677 Buses have crossed their economical life of (10) ten lakh kilometers and require immediate replacement. The approximate cost of replacement of these buses is about Rs.1,000 Cr. Further, there is a need for augmentation of the bus fleet as there is huge demand from the traveling public and need to replace the buses that have completed their economical life expeditiously. Since, the APSRTC is not in a position to meet the procurement cost of new buses out of their own resources, it is imperative to have recourse to loan from Banks. In view of the distressed financial position of the Corporation, the Banks are not coming forward to sanction fresh loans without Government Guarantee. Therefore, the VC & MD, APSRTC, Vijayawada has requested for Government Guarantee to Andhra Pradesh State Road Transport Corporation (APSRTC) for availing term loan of Rs.1000.00 Crores from the Bank of India, which offers a lower interest rate at 8.95% per anum, and permit the corporation to avail term loan of Rs. 1000.00 Cr from Bank of India.

2. Government after careful examination of the matter, hereby accorded Government Guarantee to Andhra Pradesh State Road Transport Corporation (APSRTC) for availing term loan of Rs.1000.00 Cr (Rupees One Thousand Crore only) from the Scheduled Commercial Banks for procurement of new buses in APSRTC to replace the buses that have completed their economical life, with the following conditions:

(a) The repayment of Loan (both Principal and Interest) shall be done by APSRTC from its internal resources.
(b) Payment of one time commission of 2% of the Loan amount.
(c) The APSRTC shall obtain Loans at competitive rate of interest, preferably at monthly / quarterly / annual MCLR of various banks.

3. This orders issues with the concurrence of the Finance (FMU-TRB) vide their U.O.No. Fin-01-BUGTOBL(IL)/5/2019-CDM(C.No.962001) Dt. 10.10.2019.

4. The Vice Chairman & Managing Director, APSRTC, Vijayawada shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.T.KRISHNA BABU
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Vice Chairman & Managing Director, APSRTC, Vijayawada.
Copy to:-
The Secretary to Hon'ble Chief Minister.
The Executive Assistant to Hon'ble Chief Minister.
The Chief Public Relations Officer to Hon'ble Chief Minister.
The P.S to Minister for Transport.
OSD to Chief Secretary.
The P.S to Prl. Secy., TR&B.
The GA (Cabinet-I) Dept.,
(w.r.t. Cir.Memo No.GAD01-CABMISC/5/2019, dated 14.10.2019)
Sf / Sc

// Forwarded by Order //

SECTION OFFICER